

Connecticut State Board of Accountancy
June 1, 2010
(Unapproved Draft; set for the July 7, 2010 Board Meeting approval vote.)
Minutes

Chairman Thomas Reynolds called the meeting to order at 08:39 A.M. at the Cyrenius H. Booth Library, 25 Main Street, Newtown, Connecticut.

Present:

Thomas F. Reynolds, CPA, Chairman
Richard H. Gesseck, CPA
Leonard M. Romaniello, Jr., CPA, CITP, CFE, MST
Lee Schlesinger
Richard L. Sturdevant
Martha S. Triplett, Esq.
Michael Weinshel, CPA

Staff Members Present:

David L. Guay, Executive Director
Rebecca E. Adams, Esq., Board Counsel

Absent:

James S. Ciarcia
Philip J. DeCaprio, Jr., CPA/ABV/CFF, Cr.FA, CVA

Chairman Reynolds changed the order of the agenda in order to accommodate discussion with Robert Boudreau, Chair of the Connecticut Society of Certified Public Accountants (CSCPA) Peer Review Committee on the general subject of Peer Review and on the proposed revisions to the Quality Review or Peer Review Regulations. The Peer Review Committee is the Board's delegated review and acceptance body for Peer or Quality Reviews in Connecticut. Mr. Boudreau indicated that he had received Attorney Adams draft revisions to the regulations and inquired about a response deadline. The Board advised that they would like to vote on the draft revisions at the July 7, 2010 Board meeting. Mr. Boudreau provided the Board with a copy of the CSCPA July 22, 2009 Peer Review Annual Report on Oversight and promised a copy of the 2010 report. After providing his understanding of the current program in Connecticut Mr. Boudreau entered into a lengthy question and answer session with the Board members.

Motion was made by Leonard Romaniello and seconded by Michael Weinshel to approve the minutes of the May 4, 2010 Board Meeting. All voted in favor; no votes against and no abstentions.

The Board reviewed the Executive Director's Operations update and review.

Executive Director's Operations Update and Review:

Budget

- FY11 BOARD OF ACCOUNTANCY
 - Personal Services [345,306] 336,533
 - Other Expenses [77,863] 47,155
 - AGENCY TOTAL [423,169] 383,688

Licensing

- About to start CPE Audits
- CPA Certificate Ceremony on June 8, 2010

General Administrative

- Continuing with weekly updating of the Emergency Command Center for the H1N1 Pandemic
- Pandemic exercise held May 19, 2010
- Attended Governor's meeting with Commissioners and Executive Directors on May 18, 2010
- Submitted Board Highlights to NASBA for the Regional Meeting
- Assisted in Michael Weinshel nomination for NASBA Director-At-Large
- Held exit conference with Auditor on May 13, 2010
- Met with State Security about building access on May 7, 2010
- Attended CSCPA Open House on May 6, 2010
- Vacation scheduled for June 28 – July 1, 2010
- Office will be closed for a furlough day on July 2, 2010

The Board reviewed and noted, for the record, CPA Certificate Registration, CPA License & Firm Permit Applications approved by the Executive Director May 5, 2010 through May 28, 2010.

The Board noted, for the record, new PCAOB Inspection Reports received:

- 2009 Inspection of Deloitte & Touche LLP

Motion made by Michael Weinshel and seconded by Leonard Romaniello to approve John G. Messina, Jr.'s CPA Certificate Experience Verification application in Industry Accounting. All voted in favor; no votes against and no abstentions.

Motion made by Richard Sturdevant and seconded by Michael Weinshel to approve Teresa Hatfield's CPA Certificate Experience Verification application in Industry Accounting. All voted in favor; no votes against and no abstentions.

Motion made by Michael Weinshel and seconded Leonard Romaniello to approve Barbara S. Fouquette CPA Certificate Experience Verification application in Industry Accounting. All voted in favor; no votes against and no abstentions.

Motion made by Richard Sturdevant and seconded Leonard Romaniello to approve Tricia Vuolo's CPA Certificate Experience Verification application in Industry Accounting. All voted in favor; no votes against and no abstentions.

Motion made by Michael Weinshel and seconded Martha Triplett to table pending further information Adrienne Cerulo's CPA Certificate Experience Verification application in Industry Accounting. All voted in favor; no votes against and no abstentions.

Motion made by Michael Weinshel and seconded Leonard Romaniello to approve Leigh Anne Eigo's CPA Certificate Experience Verification application in Industry Accounting. All voted in favor; no votes against and no abstentions.

The Board discussed the proposed Experience Regulations voted upon at the March 2, 2010 Board meeting and the current adopted Experience Regulations. After lengthy discussion focusing on the breadth and type of experience in the industry area the Board directed Attorney Adams to redraft the industry requirement. Board members expressed concern that the proposed new minimum of any one of the delineated categories in industry was insufficient and directed Attorney Adams draft a new section in which all industry candidates must have an understanding of the industry in which the applicant's employer operates, including the employer's competition and key competitiveness factors that affect the industry as well as experience in at least two other of the categories.

By consensus the Board took a short recess break at 10:55 A.M. and was called back to order by Chairman Reynolds at 11:12 A.M.

Motion made by Michael Weinshel and seconded by Leonard Romaniello to approve the response by Attorney Adams to Katie Wilcox of the American College of Forensic Examiners. Ms. Wilcox asked the Board, 'What are the requirements of CPA status for an accountant to call him/herself a Certified Forensic Accountant?'

On behalf of the Board Ms. Adams wrote:

On behalf of the Connecticut State Board of Accountancy, thank you for making the inquiry regarding the legal requirements for the use of the credential of Certified Forensic Accountant.

The legal requirements for the use of that designation area as follows:

1. An individual wishing to call him or herself a certified forensic accountant **who maintains an office in the State of Connecticut at any time during the use of the credential** must:
 - A. Hold a valid Connecticut License to Practice Public Accountancy issued pursuant to section 20-281d of the Connecticut General Statutes, and
 - B. Hold a valid Connecticut Firm Permit to Practice Public Accountancy issued pursuant to section 20-281e of the Connecticut General Statutes.

An individual who **DOES NOT maintain an office in Connecticut** at any time during his or her use of the term Certified Forensic Accountant must:

1. Hold a valid license to practice Certified Public Accountancy in a substantially equivalent jurisdiction, as defined by the National Association of State Boards of Accountancy, and
2. Hold a valid Connecticut Firm Permit to Practice Public Accountancy issued pursuant to section 20-281e of the Connecticut General Statutes.

All voted in favor; no votes against and no abstentions.

Under Strategic Planning and Retreat the Board discussed Firm names and ownership, directing Attorney Adams to research other state's and their breakdown of ownership percentages. The Board by consensus agreed to continue to discuss Firm names and the possibility of proposing non-licensee ownership legislation.

By consensus the Board took a short recess break at 12:15 P.M. for lunch and was called back to order by Chairman Reynolds at 12:45 P.M.

After discussion concerning all aspects of the Uniform CPA Exam the Board by consensus directed Executive Director Guay to draft and send a letter to the AICPA opposing the current testing of International Financial Reporting Standards on the Uniform CPA Exam.

The Board also discussed the National Association of State Boards of Accountancy Licensee Database (ALD) and how soon the Connecticut Board would become active. Executive Director Guay indicated he hoped to move forward in participating in the ALD this summer.

The Board also discussed without resolution or action the registration of tax preparers by the IRS; the seeking of technical investigators and the budget of the Board.

Under Public Comment, Executive Director Art Renner of the Connecticut Society of Certified Public Accountants informed the Board that his organization would be holding several town hall style meetings around the state of Connecticut in June and July.

PUBLIC SESSION
ENFORCEMENT AGENDA
JUNE 1, 2010

I. Requesting Settlement Approval

A. Licensing Related Cases (failure to renew on time/fail to undergo/file quality review on time)

2010013-3362 Timothy O'Meara - failure to file 2007 QR
Requesting settlement approval for \$250 penalty and reinstatement with lapse in firm permit

2010017-3365 Lionel Laselle - failure to file 2007 QR
Requesting settlement approval for \$250 penalty and reinstatement with lapse in firm permit

2010018-3368 Kozlowski & Tancredi - failure to file 2007 QR
Requesting settlement approval for \$250 penalty and reinstatement with lapse in firm permit

2010020-3367 George Cofrancesco - failure to file 2007 QR
Requesting settlement approval for \$250 penalty and reinstatement with lapse in firm permit

2010025-3373 O. Douglas Covington - failure to file 2008 QR
Requesting settlement approval for \$250 penalty and reinstatement with lapse in firm permit

2010030-3378 Ricci & Co. - failure to file 2008 QR
Requesting settlement approval for \$250 penalty and reinstatement with lapse in firm permit

2010031-3379 Donald Siclari - failure to file 2008 QR
Requesting settlement approval for \$250 penalty and reinstatement with lapse in firm permit

2010032-3380 Lewis Stengel - failure to file 2008 QR
Requesting settlement approval for \$250 penalty and reinstatement with lapse in firm permit

2010033-3381 Hal Tennin- failure to file 2008 QR

Requesting settlement approval for \$250 penalty and reinstatement with lapse in firm permit

2010110-3460 Gehlmeyer & Co.- failure to file QR 2006/2009

Requesting settlement approval for \$500 penalty and reinstatement with lapse in firm permit

2010111-3461 Stanley Glick -failure to renew license and permit

Requesting settlement approval for \$500 penalty and reinstatement with lapse in license/firm permit

2010112-3462 Crehan Sapia Group -failure to report 2008 QR

Requesting settlement approval - \$250 penalty and reinstatement with lapse in license

2010113-3463 Susan Oldershaw -failure to renew license

Ms. Oldershaw submitted physician's documentation that she was diagnosed with breast cancer during the last few months of 2009 - requesting settlement approval and abatement of \$250 penalty

2010116-3466 Robert Grant - failure to renew license

Requesting settlement approval for \$250 penalty and reinstatement with lapse in license

2010117-3467 David Van Gessel - failure to renew license

Requesting settlement approval for \$250 penalty and reinstatement with lapse in license

2010118-3468 David Van Gessel- failure to renew permit

Requesting settlement approval for \$250 penalty and reinstatement with lapse in firm permit

2010115-3465 John Delaney - failed to undergo QR in 2008

Requesting settlement approval for \$250 penalty and reinstatement with lapse in firm permit

2010121-3471 Kenneth Koos - failure to renew license

Requesting settlement approval for \$250 penalty and reinstatement with lapse in license

Motion made by Richard Sturdevant and seconded by Martha Triplett to approve settlement agreements in the following cases:

2010013-3362 Timothy O'Meara

2010017-3365 Lionel Laselle

2010018-3368 Kozlowski & Tancredi

2010020-3367 George Cofrancesco

2010025-3373 O. Douglas Covington

2010030-3378 Ricci & Co.

2010031-3379 Donald Siclari

2010032-3380 Lewis Stengel
2010033-3381 Hal Tennin
2010110-3460 Gehlmeyer & Co
2010111-3461 Stanley Glick
2010112-3462 Crehan Sapia Group
2010113-3463 Susan Oldershaw
2010116-3466 Robert Grant
2010117-3467 David Van Gessel
2010118-3468 David Van Gessel
2010115-3465 John Delaney
2010121-3471 Kenneth Koos

All voted in favor, no votes against and no abstentions.

I. Requesting Settlement Approval

B. Non-Licensure Based Cases

2009160-3335 Carol Murphy - signing tax returns without a license.
Requesting settlement approval – cease and desist, \$750 penalty, and registration of Vermont license.

Motion made by Richard Sturdevant and seconded by Leonard Romaniello to approve the proposed settlement agreement in the matter of 2009160-3335 Carol Murphy. All voted in favor, no votes against and no abstentions.

II. Recommending Dismissal

2010087-3437 Gervasi & Riskin, CPA – failure to produce documents

Mr. John Messina of Messina Associates of Parks Arizona claims that the firm refused to disclose the status of certain financial assets when under "court order to do so". Mr. Messina admits that he was not ever the client of the firm. - requesting dismissal; no probable cause; no violation.

Motion made by Martha Triplett and seconded by Leonard Romaniello to dismiss case 2010087-3437 Gervasi & Riskin, CPA.. All voted in favor, no votes against and no abstentions.

2009110-3199 Richard Pelletier -use of title of CPA

Mr. Pelletier entered into a settlement with the Board on 2/27/2004, pursuant to which he surrendered his license. The complainant alleged that Mr. Pelletier was negligent in his tax practice and that he was utilizing the title CPA. After investigation, the complainant was unable to produce any evidence that the respondent had utilized the title and counsel found no advertisement or any other document in which he utilized the title CPA - requesting dismissal; no probable cause; no violation.

Motion made by Michael Weinshel and seconded by Leonard Romaniello to dismiss case 2009110-3199 Richard Pelletier. All voted in favor, no votes against and no abstentions.

2010034-3382 Janet Vince –failure to file QR in 2008

The firm has supplied a notarized affidavit that it does not and has not performed any audits, review, or during the relevant time period. The firm should have requested waivers for these years -requesting dismissal; no probable cause; no violation.

Motion made by Michael Weinshel and seconded by Leonard Romaniello to dismiss case 2010034-3382 Janet Vince. All voted in favor, no votes against and no abstentions.

*The following two cases are related to an entity called Tax Partners, LLC, which is located in Maine. The direct mail solicitations and the advertisements purchased on behalf of the individuals below by Tax Partners, LLC, offered tax preparations services for \$89.00 and promised that returns would be prepared by a CPA. Neither of the individuals below received any compensation as result of the ads or solicitations. Counsel has opened an investigation into Tax Partners, LLC as the entity responsible for misrepresenting the nature of the services provided.

*2010065-3415 M.J. Petretto - use of title without license - requesting dismissal without prejudice

*2010073-3423 Donald O’Conner -use of title without license - requesting dismissal without prejudice.

Motion made by Richard Sturdevant and seconded by Martha Triplett to dismiss the cases of 2010065-3415 M.J. Petretto and 2010073-3423 Donald O’Conner. All voted in favor, no votes against and no abstentions.

At 1:44 P.M. Board member Lee Schlesinger left the meeting.

Motion made by Leonard Romaniello and seconded by Richard Sturdevant to enter into executive session to discuss pending enforcement matters and to invite Executive Director Guay and Attorney Adams into the executive session. All voted in favor, no votes against and no abstentions. The Board entered into executive session at 1:45 P.M.

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Motion made by Michael Weinshel and seconded by Leonard Romaniello to leave the executive session. All voted in favor, no votes against and no abstentions. The Board left the executive session at 2:25 P.M.

A Motion was made by Michael Weinshel and seconded by Richard Sturdevant to adjourn the June 1, 2010 Board Meeting of the Connecticut State Board of Accountancy at 2:27 P.M. All voted in favor; no votes against and no abstentions.